

**MINUTES OF  
REGULAR MEETING OF THE DIRECTORS OF  
THE OKLAHOMA DEVELOPMENT FINANCE AUTHORITY  
May 25, 2022**

The Directors of the Oklahoma Development Finance Authority held a Regular Meeting at 10:00 a.m. on Wednesday, May 25, 2022, in the Conference Room of the Oklahoma Development Finance Authority, 9220 North Kelley Avenue, Oklahoma City, Oklahoma.

The following members of the Authority were PRESENT:

Mr. Chris Condley, Chairman  
Mr. Keith Ventris, Vice Chairman  
Mr. Hank Bradley, Member  
Mr. Bridger Cox, Secretary  
Mr. Peter Carey, Member  
Mr. D.R. Shipley, Member  
Mr. Brent Kisling, Ex-Officio

The following member of the Authority was ABSENT:

Mr. Bridger Cox, Secretary

Others attending the meeting were members of the Oklahoma Development Finance Authority staff and other guests representing firms doing business with ODFA, who are listed on the Attendance Register which is kept in the original meeting file.

**ROLL CALL**

Chairman Condley called the meeting to order and requested a roll call from the Assistant Secretary, after which he declared a quorum present.

In response to a question by Chairman Condley, it was reported that notice of the Regular Meeting of the Authority was filed in the office of the Oklahoma Secretary of State and public notice of this meeting was posted in prominent view at 9220 North Kelley Avenue, Oklahoma City, Oklahoma, twenty-four (24) hours prior to this meeting excluding Saturdays, Sundays, and legal holidays, all in compliance with the Oklahoma Open Meeting Act.

## **APPROVAL OF MINUTES OF THE MEETING OF APRIL 27, 2022**

Minutes of the meeting held April 27, 2022, had been sent electronically to the Board Members prior to the meeting and the reading was waived. Mr. Shipley made a motion to approve the minutes as transmitted. Mr. Carey seconded the motion. All members present voted Aye.

## **FINANCIAL REPORT**

Mr. Davis stated that through the ten months ending April 30, 2022, for FY' 22 shows revenues at \$1,057,000 compared to this same period a year ago of \$1.24 million. The expenses are down with expenses at \$839,000 versus \$860,000 last year. This leaves a net income of \$220,209 versus \$386,651 this same period a year ago. This is down 43% but it is in line with his expectations, giving some of the bonds that were called away with the Oklahoma State University and refunded into their name as well as the defeasance of Cross Village bonds.

Chairman Condley asked if there were any questions or comments concerning the report. Hearing none, he asked if there was a motion. Mr. Ventris made a motion to approve the financial report, as presented. Mr. Carey seconded the motion. All members present voted AYE.

## **NEW LOAN APPLICATIONS/PROJECTS**

### **A. Oklahoma Development Finance Authority (ODFA) – \$50,000,000 OU Medicine, Inc. Conduit Loan (OU Medicine) Series 2022**

*Discussion and possible action granting preliminary and final approval with respect to a resolution authorizing a loan in one or more series not to exceed \$50,000,000 from Banc of American Public Capital Corp (BAPCC) to the Authority, the proceeds of which will be further loaned by the Authority to OU Medicine, Inc. authorizing and approving the execution and delivery of a master financing agreement, equipment schedules, an escrow agreement and related documents in connection with such loan; and containing other provisions relating thereto.*

Mr. Davis stated that this request is for the authorization of a \$50 million conduit loan to OU Medicine. This loan will come from Banc of American Public Capital Corp (BAPCC). This is a 7-year tax-exempt loan. Today we are looking at 3.88% rate and it is secured by equipment. This is a reimbursement of qualified expenses. These expenses include electronic medical records, IT modernization, technology, and equipment upgrades. The ODFA will be the conduit issuer. There is no credit liability for the authorities nor the State of Oklahoma. Mr. Davis introduced Jerome Houizot, Vice President of Treasury for OU Health. Mr. Houizot then gave the Board a brief overview of the financing for OU.

Mr. Carey made a motion to approve the project. Mr. Kisling seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**B. Oklahoma Development Finance Authority (ODFA) – \$300,000 Oklahoma Community Economic Development Pooled Finance Act Award (Oklahoma Proton Center Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Oklahoma Proton Center Project), Series 2022, in an aggregate principal amount estimated at \$300,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Before speaking specifically to this agenda item, Mr. Stoner stated that there is a number of guests in attendance today to tell us about some fantastic projects. Mr. Stoner added that on page 31 there is a program summary for Business Expansion Incentive Program that the Department of Commerce has awarded but has not paid off yet. The total pool available is \$200 million and there is currently \$61 million outstanding leaving \$139 million of capacity remaining assuming all the projects on the agenda are approved today. These projects have applied through certain processes to the Oklahoma Department of Commerce. The net positive benefit evaluation has been completed by the Research and Economic Analysis Team led by Jon Chaippe. After the net positive benefit evaluation of each project, these applications then come before this board for final authorization prior to ODFA fulfilling their role as the administrator of the program.

Mr. Stoner stated that the Oklahoma Proton Center is a not-for-profit cancer treatment center in north Oklahoma City. This project is a \$2.2 million capital investment to purchase and install pencil beam proton technology. This project will create six new jobs adding \$450,000 new annual payroll. Their net positive benefit analysis from the Oklahoma Department of Commerce results in an award of \$300,000 over 3 years. Mr. Stoner introduced Mr. Tom Welch, President of the Oklahoma Proton Center. Mr. Welch came a brief overview of the project to the board.

Mr. Shipley made a motion to approve the project. Mr. Carey seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE  
NAY: NONE

**C. Oklahoma Development Finance Authority (ODFA) – \$175,000 Oklahoma Community Economic Development Pooled Finance Act Award (BC Steel Building Project), Series 2022**

Mr. Stoner stated that BC Steel Buildings is a manufacturer of pre-engineered metal buildings in Oklahoma City. They are implementing a \$563,000 capital investment for an enterprise resource planning system. They have fifty-six existing jobs and will be creating fifteen new jobs with this new project. The net positive benefit analysis from the Department of Commerce results in \$175,000 award over 3 years. Mr. Stoner introduced Mr. David Alexander, President, and Mr. Ron Welch as the CFO. Mr. Alexander gave an overview of the project to the board.

Mr. Ventris made a motion to approve the project. Mr. Bradley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**D. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (Boiling Point Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Boiling Point Project), Series 2022, in an aggregate principal amount estimated at \$150,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that Boiling Point Media is a full-service advertising and film production agency located in Oklahoma City. With a capital investment of \$300,000 they are going to purchase a state of the art LED wall. This will help maintain twenty-one existing jobs and two new jobs will be created with this project. The net positive benefit from the Department of Commerce results in \$150,000 recapture over 4 years. Mr. Stoner introduced Emily Taylor, the owner of Boiling Point Media. Ms. Taylor gave a brief overview to the board.

Mr. Carey made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**E. Oklahoma Development Finance Authority (ODFA) – \$750,000 Oklahoma Community Economic Development Pooled Finance Act Award (City of Shawnee Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (City of Shawnee Project), Series 2022, in an aggregate principal amount estimated at \$750,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that the projects that have been talked about so far are for individual entities that are recapturing their own withholding taxes. However, the P3 program allows the public entity to be able to capture and benefit from the withholding taxes from benefitting entities. This project is for \$1.5 million infrastructure project to replace a bridge and improve transportation and waterline infrastructure. Virtually all of Shawnee will benefit from this project. A total of seventy-two companies will benefit from this project. There are six companies that will be directly impacted by the infrastructure development improvements and will participate by leveraging their withholding taxes for the benefit of the City of Shawnee. These benefitting companies plan to hire thirty-one new positions which will create another \$1,300,000 in annual payroll over the next three years. The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an award amount of \$750,000. The six companies have agreed under the terms of the program to allow the City of Shawnee to capture 100% withholding taxes to support the incentive award up to a 3-year period. Mr. Stoner introduced Mr. Seth Barkhimer, Director of Engineering for the City of Shawnee and the Assistant City Manager, Jacob Foos. Mr. Barkhimer gave a brief overview of the project to the Board.

Mr. Ventris made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**F. Oklahoma Development Finance Authority (ODFA) – \$200,000 Oklahoma Community Economic Development Pooled Finance Act Award (GAMCO Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled*

*Finance Act (GAMCO Project), Series 2022, in an aggregate principal amount estimated at \$200,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that this project is for GAMCO, a division of Bobrick Washroom Equipment, Inc. They are in Durant, Oklahoma. They were here last year with a project with a \$1 million renovation of their office complex. This time they have a \$1 million capital investment to purchase and install razor cutting machinery. This will add five new jobs with \$330,000 in new payroll. The net positive benefit analysis by the Department of Commerce resulted in another \$200,000 award that stretch out their capture for another year. Mr. Stoner introduced Mr. Ketan Jain who gave an overview of the project.

Mr. Carey made a motion to approve the project. Mr. Ventris seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**G. Oklahoma Development Finance Authority (ODFA) – \$150,000 Oklahoma Community Economic Development Pooled Finance Act Award (Krebs Brewing Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Krebs Brewing Project), Series 2022, in an aggregate principal amount estimated at \$150,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that you may also know Krebs Brewing as Pete’s Place or Choc Brewing Company or even Prairie Artisan Ales. Krebs Brewing was founded in 1925 and was incorporated in a family restaurant, Pete’s Place, which became an Italian eatery destination. The project is for \$400,000 capital investment to purchase and install pasteurization equipment for a new canning line. The net positive benefit analysis from the Department of Commerce resulted in an award of \$150,000 over 3 years. Mr. Stoner introduced Ms. Paula Green who gave an overview of the project.

Mr. Carey made a motion to approve the project. Mr. Bradley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**H. Oklahoma Development Finance Authority (ODFA) – \$450,000 Oklahoma Community Economic Development Pooled Finance Act Award (Midwest Cooling Towers Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Midwest Cooling Towers Project), Series 2022, in an aggregate principal amount estimated at \$450,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that this project is for Midwest Cooling Towers headquartered in Chickasha, OK. Their projects will include multiple pieces of machinery that will make operations more efficient and improve the quality of employment of the production line. They will spend over \$2.2 million on the new pieces of equipment. They have 129 existing jobs with at \$5.2 million annual payroll. The net positive benefit analysis from the Department of Commerce resulted in \$450,000 award over 4 years. Mr. Stoner introduced the owner of Midwest Cooling Tower, Ms. Ann Pate. Ms. Pate gave a brief overview of the project.

Mr. Ventris made a motion to approve the project. Mr. Bradley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**I. Oklahoma Development Finance Authority (ODFA) – \$1,000,000 Oklahoma Community Economic Development Pooled Finance Act Award (NewView Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (NewView Project), Series 2022, in an aggregate principal amount estimated at \$1,000,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that NewView is a 501(c)(3) non-profit organization whose mission is to empower individuals who are blind or have low vision, maximizing their opportunities for independence through all stages of life. The project is for \$6.5 million for the construction of a new warehouse and addition of a fire suppression to their existing facility. They currently have 193 employees with plans to add twenty-five new jobs, bringing their annual payroll of \$1.2 million. The net positive benefit analysis from the Oklahoma Department of Commerce resulted in an award of \$1 million over 5 years. Mr. Stoner introduced Ms. Lauren Branch, CEO who gave an overview of the project.

Mr. Shipley made a motion to approve the project. Mr. Kisling seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**J. Oklahoma Development Finance Authority (ODFA) – \$1,500,000 Oklahoma Community Economic Development Pooled Finance Act Award (Paragon Films Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Paragon Films Project), Series 2022, in an aggregate principal amount estimated at \$1,500,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Ms. Harris stated that Paragon Films had submitted an application during the OIEP process. The BEIP program was suited better for them. They were awarded a \$1.5 million over a 5-year period. They currently have 139 jobs with a payroll of \$11.1 million. They plan to create twenty-four new jobs with a new payroll of almost \$10 million. Ms. Harris introduced John Reemts and Bee Torres who then gave an overview of Paragon Films.

Mr. Carey made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**K. Oklahoma Development Finance Authority (ODFA) – \$200,000 Oklahoma Community Economic Development Pooled Finance Act Award (Qualgen Project), Series 2022**



*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Qualgen Project), Series 2022, in an aggregate principal amount estimated at \$200,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Mr. Stoner stated that Qualgen is an FDA registered sterile compounding outsourcing facility that manufactures 99.5% pure Estradiol and Testosterone Hormone Pellets which are 100% bioidentical.

Qualgen has thirty-five existing employees and is looking to create twenty-five new jobs with a new payroll of \$1.6 million. With a capital investment of \$1,000,000 at its facility primarily for machinery expansion.

The Oklahoma Department of Commerce has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$200,000. Qualgen LLC will be able to capture withholding taxes quarterly over the next two years. Mr. Stoner introduced Mr. Shaun Riney, CEO of Qualgen that discussed the project in further detail.

Mr. Kisling made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**L. Oklahoma Development Finance Authority (ODFA) – \$300,000 Oklahoma Community Economic Development Pooled Finance Act Award (SWEP Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (SWEP Project), Series 2022, in an aggregate principal amount estimated at \$300,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Ms. Harris stated that SWEP North America is a Dover Company. They submitted an application through the OIEP program for an additional investment at their facility in Tulsa. ODOC has determined that the BEIP program was better suited for this project. SWEP is looking to install a new hydraulic press line to manufacture stainless steel channel plates used in the heat transfer industry. Ms. Harris stated that the leadership could not be here today.

SWEP was established in 1983 and headquartered in Sweden, they manufacture power generation equipment. The company supplies brazed plate heat exchangers for HVAC and industrial applications that serve customers worldwide. They currently have fifty-five existing jobs with a net annual payroll of \$4.2 million. They are looking to create ten new jobs in Oklahoma with an additional payroll of about \$425,000. SWEP's capital investment is \$2.3 million at their facility in Tulsa. ODOC has awarded them \$300,000 over a 3-year period.

Mr. Shipley made a motion to approve the project. Mr. Carey seconded the motion. Upon Roll Call, the vote was as follows:

AYE: Bradley, Carey, Condley, Kisling, Shipley, Ventris  
NAY: NONE

**M. Oklahoma Development Finance Authority (ODFA) – \$175,000 Oklahoma Community Economic Development Pooled Finance Act Award (Trece Incorporated Project), Series 2022**

*Discussion and possible with respect to a resolution acknowledging receipt of a Determination Letter from the Oklahoma Department of Commerce (“ODOC Determination Letter”); implementing the financial incentive described in the ODOC Determination Letter, namely, the Oklahoma Community Economic Development Pooled Finance Act (Trece Incorporated Project), Series 2022, in an aggregate principal amount estimated at \$175,000 (the “Award”); approving and authorizing the execution and delivery of a Funding Agreement and other related documents; and containing additional matters relating thereto.*

Ms. Harris stated that Trece also applied for the OIEP program and ODOC decided that the BEIP program would better suit them. For over 30 years, Trece Incorporated has manufactured insect monitoring tools and mating disruption (MD) products. These insect MD products, considered green or eco-family friendly, replace the need of a grower to use insecticide to control pest populations in orchards or fields.

Trece Incorporated is looking to purchase and install large scale production equipment for its new line of liquid mating disruption products that can be tank-mixed and applied by spray. The company has a small-scale production equipment now and plans to utilize the incentive to purchase and install over \$500,000 in a large-scale production system to increase their capacity by 900%.

Ms. Harris continued stating that Trece has sixty-five existing jobs and will create one new job for an annual payroll of \$3.5 million. ODOC has identified that the project is a net positive benefit to the State of Oklahoma and has issued an incentive award of \$175,000 over a two-year period.

Mr. Kisling made a motion to approve the project. Mr. Shipley seconded the motion. Upon Roll Call, the vote was as follows:

AYE:	Bradley, Carey, Condley, Kisling, Shipley, Ventris
NAY:	NONE

## **REVIEW AND POSSIBLE APPROVAL OF TRAVEL CLAIMS**

Mr. Ventris made a motion to approve the travel claims. Mr. Carey seconded the motion. All members present voted AYE.

## **PRESIDENT'S REPORT**

Mr. Davis reported that there has been a lot of activity since the last board meeting. With the approval of the 12 Business Expansion Incentive Program projects that the board just approved, staff will begin to work on the legal transaction documents to get those closed. ODFA is currently managing forty-seven active projects and there is \$148 million available out of \$200 million pool. Mr. Davis stated that ODFA has consumed about \$5.35 million today and there is still plenty of capacity in the program.

Mr. Davis added that the pool that is available is an evergreen function, so for every dollar that pays down the existing projects it frees it up for additional economic development. Mr. Davis stated that the Authorities will be wrapping up the OIEP, Series 2021. Last year there was 105 projects at \$7.5 million. There has been \$6.2 million in total pay outs through May. There is \$321,000 remaining to collect and disburse out of this program and it will end in June 2022.

The OIEP program administration, Series 2022 was approved to issue up to \$10 million in awards under this years OIEP program. There were over 160 applications and 125 were approved. The total award amounts total \$9.2 million. These projects will create 767 new jobs and will bring over \$50 million in additional Capex to the state and into Oklahoma businesses. These numbers are in the Authorities Operation and Business Development report located on pages 44-45 of the board packet.

Mr. Davis stated these statistics came out on a press release on May 16<sup>th</sup> that the Department of Commerce put out. They also put out a listing of companies that are participating and were awarded economic incentives under the program based on a net positive benefit of the project. These companies are on page 46-48 in the board packet. There are not individual dollars in each project but the total of all the projects meets the performance requirements. The award amounts

were \$9.2 million. There might be a few companies that will fall out, but these companies have until September 30<sup>th</sup> to provide proof of performance. The proof of performance is that they have had 10% of capital spent for which they have applied. The Series 2022 was a successful program, and he does not see why this program would not be repeated in 2023. Mr. Davis feels this is a good annual program. The application window is open for 2 weeks and then it is closed and the research department in the Department of Commerce goes through each application. The heavy work is mostly done for Commerce and the heavy lifting for the Authority will begin as we work on the legal documents and work with 125 companies.

The first Master Lease Real Property, Series 2022A was closed. This issue included projects from Northwestern Oklahoma State University, Redlands Community College, Rose State College, the University of Oklahoma and Southeastern Oklahoma State University. This was a good outing and there was a little bit of price discovery and a little bit of shock. Mr. Davis stated that the interest rate environment has been stable and abnormally low. The rates are starting to creep up. We have been used to going to the market and over subscribed everywhere. They knew going into the pricing that they would have to increase their spreads. Mr. Davis stated that had to make additional adjustments to entice the investors in the program. The program is still very economical source of funding. These are not refunding's; it is new money. Mr. Davis said that they are paying more and the price of everything is up and the interest cost of the bonds.

Mr. Davis reported on the utility ratepayer bond financing. He has continued to monitor the Supreme Court validation cases on all four of the cases: OG&E, ONG, PSO and Summit. He is continuing to work on legal transaction documents for the OG&E bond issue which will be the first issue. Mr. Davis has attended rating presentations on the ONG issue with both rating agencies, Fitch, and Moody's. On the OG&E case the Supreme Court's opinion, the decision was that the bonds were properly authorized and that they were constitutional. The Supreme Court basically validated the OG&E case. There is a 20-day window where someone could petition for the court for a rehearing and no petition was filed. The court was waiting for the window to close before providing decisions on the other three cases. The 20 days was up on May 23<sup>rd</sup> and on Tuesday morning the Supreme Court posted that they found the ONG, PSO and Summit cases just like the OG&E. They were properly authorized and constitutional. So, the pathway is clear; and the interest rates are going up just like he mentioned on the Master Lease. Mr. Davis added the rates are probably up more than one hundred basis points from when the OG&E case went to the Supreme Court for validation in January. These bonds are moving quickly and he anticipates the second half of July to have the bonds issued and sold. It is Mr. Davis's understanding that ratepayers will likely see the first line-item tariff to debt service these bonds on their August bills. Mr. Davis stated that is possible by the meeting in July the OG&E issue will be out and sold.

Mr. Davis stated that a lot of time has also been spent on the OU issue. Mr. Stoner is continuing to work on the Claremore hanger loan. There are potential loan opportunities, so the pipeline is full.

In April Mr. Davis stated that there was a new director for the 1960 congressional district two seated on the Board. There was a new nomination from the Governor. The gentleman's name is Matt Caldwell he is with a bank in Sallisaw, OK. Mr. Davis and Mr. Stoner had the opportunity

to have lunch with him when he was here for the confirmation hearing. Mr. Davis attended the finance committee confirmation hearing for him as well. Prior to the confirmation hearing Mr. Davis met with Mr. Caldwell and his Senator. Senator Allen carried the nomination. Mr. Davis said that he is sharing the board packets with him, so that he steps in with a new transition. Mr. Caldwell's term will begin October 11, 2022.

Lastly, Mr. Davis attended the Council of Bond Oversight meeting last month. The Master Lease Program was on the agenda and at the end of the meeting there was an announcement made that the State Deputy Treasurer and Director of State Debt Management had resigned from his position and is going to work for a consulting firm. The Authority works extraordinary close with the Treasurer's Office, State Bond Advisor. When the State Bond Advisor was a stand-alone entity, they leased space in the Authorities office. It has been about three ½ years since this has been consolidated from an independent entity into the State Treasurer's Office. The Treasurer's Office is looking for someone with the qualifications that is hard to find anyway with the tight labor market. Treasurer McDaniel will not be running for the State Treasurer position. There will be a new State treasurer next year and a new State Bond Advisor. Mr. Davis stated that the talent will be missed that is walking out the door.

Mr. Davis stated that this concluded the President's Report. Chairman Condley made note that no formal action was taken during the President's report.

## **ADJOURNMENT**

Chairman Condley asked if there were any announcements. Hearing none, he asked if there was a motion to adjourn. Mr. Ventris made a motion to adjourn. Mr. Carey seconded the motion. All members present voted AYE.

These minutes officially approved and adoption this \_\_\_\_ day of \_\_\_\_\_, 2022.

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Chairman

SEAL

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Assistant Secretary